

PX 661

Market Maker and Programmatic Market Activity Agreement

This Market Maker and Programmatic Market Activity Agreement (the "Agreement") is made as of February 14, 2017 (the "Effective Date") by and between Ripple Markets Inc. ("Ripple"), a California corporation, located at 300 Montgomery Street, 12th Floor, San Francisco, CA 94104, and [REDACTED] a New York LLC ("*Market Maker*").

1. Purpose:

Pursuant to the terms and conditions of this Agreement, and for good and valuable consideration, Market Maker agrees to (1) engage in efforts to promote liquidity for the buying and selling of XRP, the asset native to the Ripple Consensus Ledger ("Market Making Activity") and (2) to transact in XRP pursuant to a programmatic schedule ("Programmatic Activity") provided by Ripple. In return for this activity, Ripple will compensate Market Maker, as specified below.

2. Responsibilities of Market Maker for Market Making and Programmatic Market Activities:

- a. Market Maker is a trading firm that posts two-sided quotes in XRP pairs.

The purpose of this market making activity is to promote and encourage the liquidity of XRP to support a healthy market.

- b. Additionally, Market Maker agrees facilitate and implement Ripple's Programmatic Market Activity.

3. Market Making Activity:

The end result of Market Maker's Activity pursuant to the program is anticipated to be a tighter bid-ask spread to buy and sell relevant cryptocurrencies (see "Trading Pairs" below) through XRP order books.

- a. Provided Market Maker can, and will, and at all times comply with all laws, regulations and administrative and judicial orders applicable to its business, Market Maker will maintain the following venues and Trading Pairs both on the Ripple Consensus Ledger and External Digital Asset Exchanges:

Trading Pairs, Ripple Consensus Ledger	<ul style="list-style-type: none"> • XRP/USD:Bitstamp • XRP/BTC:Bitstamp • XRP/JPY:TokyoJPY • XRP/EUR:Gatehub • XRP/USD:Gatehub • XRP/CNY:Ripple China • XRP/CNY:Ripple Fox • XRP/ETH:GatehubFifth
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	<ul style="list-style-type: none"> • XRP/BTC: GatehubFifth
Trading Pairs, External Digital Asset Exchanges	<p>Bitstamp pairs</p> <p>XRP/USD XRP/EUR XRP/BTC (when supported)</p> <p>Kraken pairs</p> <p>XRP/BTC XRP/EUR (when supported) XRP/USD (when supported) XRP/CAD (when supported)</p>

Market Maker will not be required to use any Ripple Consensus Ledger location, gateway, exchange or any External Digital Asset Exchange, even if specified in this Agreement or otherwise by the Parties, unless Market Maker can and will comply with all necessary regulations, including any applicable asset control or anti-money laundering laws, rules or regulations.

- b. **Future Venues and Pairs.** Market Maker agrees to support subsequent XRP listings at External Digital Asset Exchanges, or off-Ripple Consensus Ledger digital asset exchanges, (including, but not limited to, Kraken, CoinCheck and Bitstamp) as they become available so long as it is operationally viable to do so, and Market Maker can meet all regulatory requirements.

For Market Maker to prepare for new listings support, Ripple agrees to cooperate with Market Maker, and Market Maker commits to providing Ripple a minimum 30 days' notice before committing to any new off ledger XRP listing.

If Market Maker and Ripple agree to withdraw liquidity support for a particular pair on the Ripple Consensus Ledger (listed above) or any External Digital Asset Exchange, Market Maker agrees to support an agreed upon available off ledger XRP pair instead, where possible. If there is no such pair, Market Maker agrees to support the next off ledger pair that becomes available, as long as it is viable and Market Maker can and will comply with all necessary regulations, including any applicable asset control or anti-money laundering laws, rules or regulations, as specified above.

- c. **Best Efforts.** Market Maker commits to best efforts and will commit to a time in the market of [REDACTED] of ledger closes on Ripple Consensus Ledger and [REDACTED] of the time on off ledger exchanges, 7 days a week, Market Maker also commits to a notional size of [REDACTED] and a width of [REDACTED] minimum tick increments or [REDACTED] basis points, whichever is wider.

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4. Programmatic Market Activity

Ripple will maintain a segregated wallet with XRP to be used by Market Maker to transact Programmatic Market Activity as outlined in this Agreement. Ripple will fund an XRP amount at its sole discretion, and consistent with the Programmatic Market Activity plan, and Market Maker will transact following the Programmatic Market Activity plan, as long as the accounts remain funded. The location of this segregated wallet will be communicated to Market Maker, and confirmed by Market Maker, within 10 business days of the Effective Date.

Ripple will provide the Programmatic Market Activity Plan to be executed the following month to Market Maker by the end of previous month. Ripple reserves the right to adjust the Programmatic Market Activity Plan during the month.

Market Maker will determine the specifics of each transaction that together or separately satisfy the Programmatic Activity Plan. Market Maker will not be required to use any particular exchange, gateway or location off the Ripple Consensus Ledger or any External Digital Asset Exchange, even if specified in this Agreement or otherwise by the Parties, and Market Maker agrees that it can and will comply with all necessary regulations, including any applicable asset control or anti-money laundering laws, rules or regulations that may apply to each transaction.

5. Payment

- a. In exchange for Market Making and Programmatic Activity, Ripple commits to pay \$ [REDACTED] worth of XRP per month to Market Maker for the duration of this Agreement. The XRP conversion price will be based on the [REDACTED] for the business day immediately preceding the payment date.
- b. In addition, Ripple will pay to Market Maker a percentage for all XRP Programmatic Market Activity exceeding the value of \$ [REDACTED] in any calendar month (defined as 12:00am Eastern Time on the first day of the calendar month through 11:59pm Eastern Time on the last day of the calendar month). To assess the XRP activity value, the Parties agree to use a conversion price that will be based on the Volume Weighted Average Price of the venue with the highest XRP/USD volume for the business day immediately preceding the current trading date.

For volumes over \$ [REDACTED] in value during the calendar month, as described above, Ripple will commit to the following, additional payment to Market Maker, in XRP:

Volume (Value in \$)	Additional Payment (% of notional activity)
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

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- [REDACTED]
- c. Lock-up restrictions. Any and all XRP payments from Ripple to Market Maker pursuant to this Agreement are subject to a lock-up period of [REDACTED]. For clarity, this means that if XRP were paid to Market Maker on [REDACTED], Market Maker could not sell that XRP until [REDACTED] of that same year.

Further, after this lock-up period, Market Maker commits to limiting any and all daily sales of the payment XRP to no more than [REDACTED] of daily XRP notional value trading volume on all venues where XRP is listed.

- d. For the avoidance of doubt, while this Agreement is operational, and until terminated, Ripple will have an obligation to pay the minimum monthly payment whether or not Ripple continues to fund the segregated wallet (described in Section 4 of this Agreement)
- e. Payments to Market Maker will be made in XRP monthly to a Market Maker wallet with the location specified by Market Maker. Payments will occur on or before the second Monday of each calendar month, or within a reasonable time after receiving reporting from Market Maker. XRP conversion price will be based on the [REDACTED]

6. Reporting

To be entitled to any and all payments from Ripple, Market Maker must provide the following reporting, on a monthly basis and at least 10 calendar days following the end of the calendar month that shows the volume attributable to Market Maker, excluding any and all self-matching volume:

- Aggregated trade activity on RCL gateways;
- Aggregated trade activity on off ledger digital asset exchanges
- Daily reporting of XRP Programmatic Activity

7. Term

The Term of this Agreement shall commence on the first day of the calendar month following the date of this Agreement and shall continue until the earlier of:

- a. [REDACTED]
- b. termination by Ripple upon 180 calendar days' notice to Market Maker;
- c. upon written notice of termination by a Party if the other Party is in material breach of this Agreement, if the breaching party does not, within ten (10) calendar days after receiving written notice describing an alleged material breach of this Agreement, cure the alleged material breach;

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8. Compliance with Laws

Each Party shall at all times comply with all laws, regulations, and administrative or judicial orders that are applicable to the operation of its business, this Agreement, and its performance hereunder, including, but not limited to, any applicable asset control or anti-money laundering laws, rules, and regulations. Without limiting the generality of the foregoing, Market Maker shall at all times, and at its own expense, obtain and maintain all necessary certifications, authorizations, licenses, and permits materially necessary to the exercise of its obligations under this Agreement.

9. Intellectual Property

Each Party shall retain all right, title and interest in its intellectual property rights, including those held before this Agreement, or they have developed independently of this Agreement.

10. Confidentiality

The Parties agree to hold all non-public, proprietary information about their businesses, including but not limited to technology, intellectual property, business plans, strategies, pricing, systems, methods, programs, techniques, etc. in strictest confidence and use it solely to fulfill the Purpose of this Agreement and for no other uses. The precautions taken by the parties shall be at least equivalent in scope and effect to the measures taken by the Party receiving the confidential information to protect its own confidential information of a like or similar nature, but in no case less than a reasonable degree of care. The Parties further agree that the contents of this Agreement constitute Confidential Information and shall be protected as such.

11. Limitation of Liability

Except for a breach of confidentiality, to the maximum extent permitted by applicable law, each Party's liability to the other for any breach of this Agreement, and other Party's sole and exclusive remedy, for any cause whatsoever and regardless of the form of action (whether in contract or in tort, including negligence) will be limited to actual, direct damages. In no event will Ripple's Aggregate Liability for any losses and damages arising out of or related to this Agreement exceed the total amount paid to Market Maker in any calendar year. In no event will either party be liable to the other party for any lost profits, loss of business, or other consequential, special, incidental, indirect, exemplary or punitive damages arising out of or related to this Agreement, even if the party has been advised of the possibility of such damages. Market Maker shall defend, indemnify and hold Ripple harmless from any and all claims, liabilities, costs and expenses (including reasonable attorneys' fees) arising out of or related to Market Maker's breach of this Agreement.

12. Warranties

Each party represents to the other party that it: (a) is a legal entity duly organized and validly existing under the laws of the jurisdiction in which it is registered or in which its principal office is located, as the case may be; (b) has all necessary power and authority to enter into this Agreement and perform its obligations hereunder; and (c) when executed and delivered by such

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party, this Agreement will constitute legal, valid and binding obligation of such party that is enforceable in accordance with its terms hereunder.

13. Relationship of the Parties

This Agreement will not be construed as creating an agency, partnership, joint venture or any other form of association, for tax purposes or otherwise between the parties and the parties will at all times be and remain independent contractors. Neither party will have the authority to enter into any contract on behalf of the other party or to otherwise bind the other party to any legal obligation.

14. Assignment

Neither party may assign this Agreement or any right hereunder without the prior written consent of the other Party. Any purported assignment made in violation of this provision will be deemed to be and will be void. Notwithstanding the foregoing, each party shall be entitled to assign this Agreement in its entirety to an affiliate, acquirer or successor entity as the result of a restructuring, merger, or sale of all or a substantial part of its business or assets.

15. Entire Agreement

This Agreement shall constitute the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior proposals, negotiations, and other communications between the parties, whether oral, written, electronic or otherwise.

16. Severability

If any provision of this Agreement is held to be invalid or unenforceable, the parties agree that such invalidity or unenforceability shall not affect the validity of the remaining provisions of this Agreement and that they shall undertake to negotiate in good faith a substitute valid provision which most closely approximates the intentions and economic effect of the invalid provisions.

17. Law and Disputes

- a. Governing Law – any claim, controversy or dispute arising under or related to this Agreement will be governed by the state of California, without regard to any provision of California law that would require or permit the application of the substantive law of any other jurisdiction.
- b. Informal Dispute Resolution – At the written request for either party, the parties will attempt to resolve any dispute arising under or relating to this Agreement through the informal means described in this paragraph. Each party will appoint a senior management representative and this representative will furnish the other all non-privileged information with respect to the dispute that the parties believe is germane. The representatives will negotiate in an attempt to resolve the dispute without the necessity of a formal proceeding. A formal proceeding for the resolution of the dispute may not commence until the earlier of (i) the designated representatives conclude that resolution through continued negotiation does not appear likely, or (ii)

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fourteen calendar days have passed since the initial request to negotiate the dispute was made — unless this time has been extended by both parties in a writing.

- c. Any dispute arising out of or related to this Agreement which cannot be settled via informal means in accordance with the paragraph above shall be irrevocably submitted to federal court sitting in San Francisco, California.

Signatures:

RIPPLE MARKETS INC.

[Redacted Signature]

2/14/2017

Name: Patrick Griffin
Title: Vice President

Date

[Redacted]

[Redacted Signature]

[Redacted Signature]

2/14/17

Date

Title: Senior Managing Member

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